



# Higgins Lake Property Owners Association

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April 25, 2016

Dear HLPOA Members,

Ice is out, the snow has melted and it is time to enjoy another season on Higgins Lake. During this long winter I have been extremely grateful for the tireless efforts by the HLPOA Directors on behalf of our Members and the lake. Their commitment is validated with the ongoing efforts to take strong and effective actions to address the swimmer's itch challenge, our continuing determination to enhance our financial reporting to Members, and forging ahead in a positive direction based on your stated priorities. It has been necessary to meet and communicate with one another on an almost daily basis and we held formal meetings every month except December this winter. We have also been busy with riparian issues, working on a comprehensive environmental policy and practices, implementing and improving swimmers' itch prevention practices and funding, as well as putting together the first updated HLPOA Directory since 2012-13. I also thank those Members at large who continue to serve on committees (demonstrating our commitment to expanding membership involvement) and help with these projects.

You will soon receive reports on the work of the environmental and riparian committees and will be able to provide input on their proposals. The Directory, which will accurately reflect current Members who have expressed a desire to appear in the Directory, will be available by the annual meeting. We initiated in December, with our lobbyist and other lake associations in the state through the Michigan Swimmer's Itch Partnership, a broad-based effort to convince the state legislature to support a swimmer's itch suppression program. We are cautiously optimistic a new state budget containing money for swimmer's itch will be finalized in June. We have also continued to implement important changes to our accounting procedures and reporting. Finally, we are working with Members to execute our new bylaws which include restricting membership to riparians and slightly altering who is eligible to vote in HLPOA elections.

We understand the vast majority of our Members appreciate the efforts of the HLPOA Board. Our current membership exceeds 400 and new memberships are received nearly every day. We are on track to surpass recent membership totals. As of today (April 25) we have received more memberships for the first four months of any year since 2009. In fact, our membership tally includes 71 new members in 2016. These new members will help us grow and continue to support and protect the lake for future generations. Unfortunately we sometimes feel as though we are swimming upstream, even as we report positive changes, as some Members and former Members publically criticize our efforts. I do not object to fair and open discussion as we understand some do not welcome change. Change is what Members voted for in 2014. Regrettably the criticism is often personal, inaccurate, or misleading. I realize some of the condemnation comes as responses to Eric Ostergren's communications, including communication

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about HLPOA matters, even though Eric is not a Member of the HLPOA. Eric, as a citizen, has the right to speak on issues concerning Higgins Lake; however, let me be clear, Eric does not speak for the current HLPOA Board, nor do I believe Eric claims to speak for us. Our updated transparency policies, such as publishing our minutes on our website, make it impossible to place limits on the dissemination of information regarding our organization. Our positions on issues will come from the Board and will be shared through messages like this or via our website. We will not provide our formal positions through open media forums not sponsored by the HLPOA Board.

We pride ourselves on transparency. This commitment to openness is obvious with all the new information that has been added to the website along with our attempts to reach out to more members with our own Facebook page. I will admit some of our reporting of finances has been slow the last few months. It has nothing to do with hiding information. Several things have slowed our reporting process regarding the year end statement and the 2016 budget. We are implementing new membership bylaws and had to re-contact some Members to clarify membership status and payment of dues. In addition, our change to a new accounting method (accrual) more accurately reflects the finances of the organization. This accounting change requires us to accurately account for membership dues received in December in both the 2015 and 2016 financial statements. In the past, receipts of dues in December were accounted for in the calendar year they were received which we believe distorts budgets and financial reporting. We take the budgeting process seriously and want to help ensure it fairly and accurately reflects predicted income and expenses. We anticipate a timelier development of the budget in the future; however, we value accuracy over timeliness.

We just received a second lawsuit, filed by a former HLPOA Treasurer Marv Bolton, against the HLPOA which is related to our new system of financial information and reporting. We will be filing an Answer with the court shortly. We remain confident, when you learn the details of why we made changes to our financial systems and reporting, you will endorse those modifications. Please note that some who have criticized us for not promptly posting current monthly financial reports served on the HLPOA Board when they didn't hold a formal meeting from November 23, 2013 to May 26, 2014 and didn't post minutes of every meeting, nor report monthly financial statements. Additionally we have been accused of not responding to new questions raised by the plaintiffs. On advice of our counsel, we are directing the plaintiffs to address questions through their lawyer Scott Hess to our attorney Bill Carey.

A few have taken offense that the current board has made some changes to the practices of earlier boards. Please understand we had no choice. As much as we appreciated the work of previous board members, we discovered there were areas that required changes. As President it was never my intent to criticize the efforts of those previously serving on the HLPOA Board. In fact, I went out of my way on every available occasion to thank and praise them. I still believe we all owe a debt of gratitude for their efforts. However, the truth is there were a number of ill-advised practices and now that the lawsuits are filed, they will be revealed in detail.

I can simply say the two lawsuits (one filed by former HLPOA President Pat Springstead and one by former HLPOA Treasurer Marv Bolton) were filed for improper purposes and will be dismissed. We also strongly believe that as a Board that we have a duty to vigorously defend these baseless claims against the Association. We have been criticized for seeking standard discovery on claims made by the plaintiff.

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We do not apologize for implementing necessary and appropriate actions in defense of the lawsuits. A Motion for an Independent Medical Examination in the Springstead matter was made necessary by the claims of the plaintiff. We have a duty to protect our organization within the bounds of the law. It is unfortunate that so much of our efforts and resources must go to lawsuits designed to undermine the current Directors and our vital organization.

On a more positive note, you will be receiving a request in the next few weeks for donations to the Higgins Lake Political Action Committee (HLPAC). There are governmental races at the local and state levels that will have a great impact on the future of our lake. Please consider making a donation so we can support candidates that share our concern for the protection of our great natural resource, Higgins Lake.

As stated multiple times, we are committed to openness. Feel free to contact any of the current HLPOA Board members. Our contact information is available on our website at [hlpoa.org](http://hlpoa.org). Lastly, remember to “like” us on Facebook to receive notices when new information is available on the website. We now have over 200 people following us.

As always, in the best interest of Higgins Lake,

Brad Gibson

President, HLPOA

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